

Givaudan increases net profit by 16%

Givaudan Half Year 2001 Results

Dr Jürg Witmer

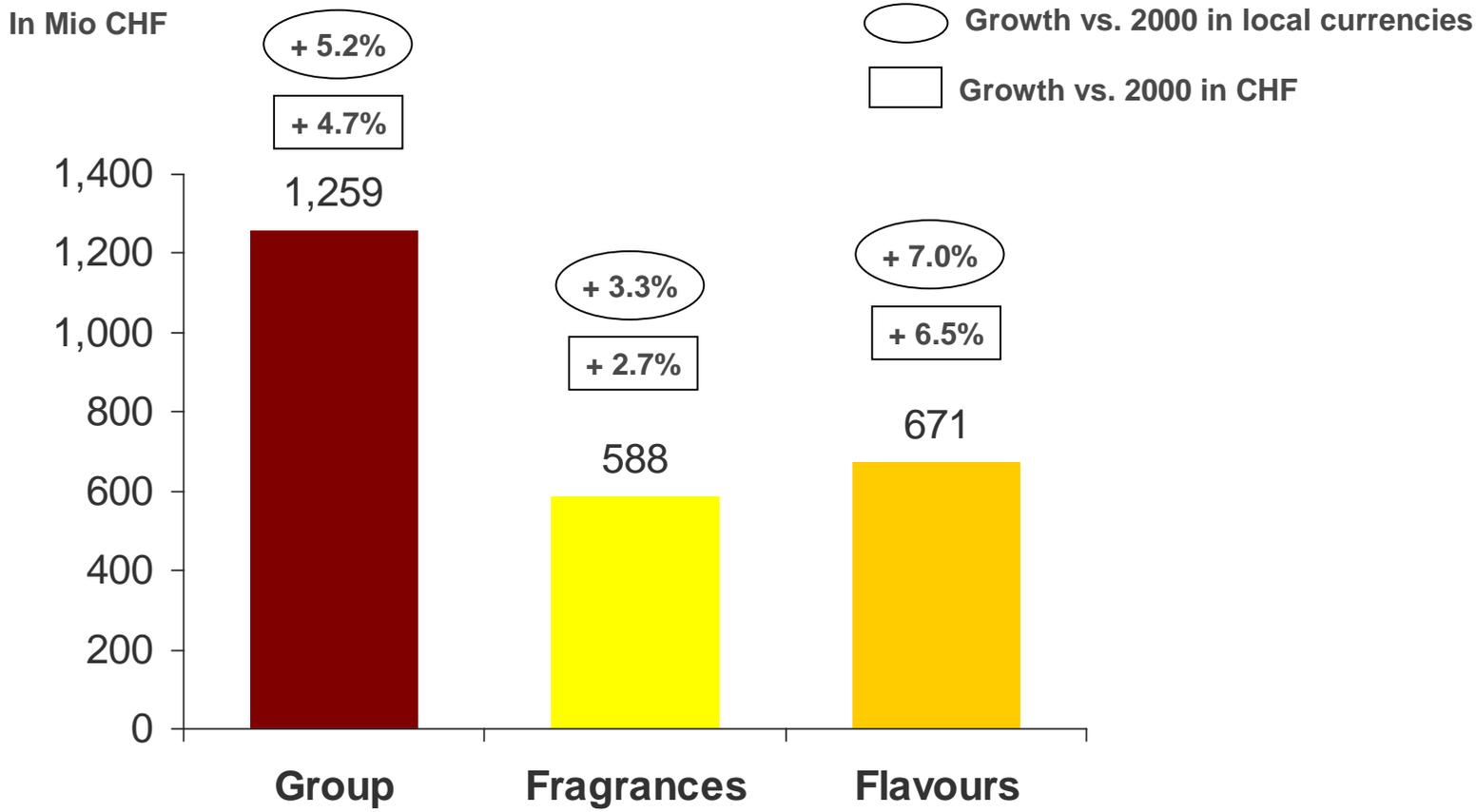
CEO

A vertical strip of daisy flowers is on the left side of the slide. The flowers are white with yellow centers, and the background is a clear blue sky. The flowers are arranged vertically, with some in the foreground and others in the background, creating a sense of depth.

Givaudan maintained a healthy growth momentum while further improving net profit.

- Sales grew 5.2% in local currencies and 4.7% in Swiss Francs
- Gross profit margin maintained at 47.9%
- EBITDA improved by 7%
- EBIT improved by 6%
- Net income increased by 16%

Sales by Division

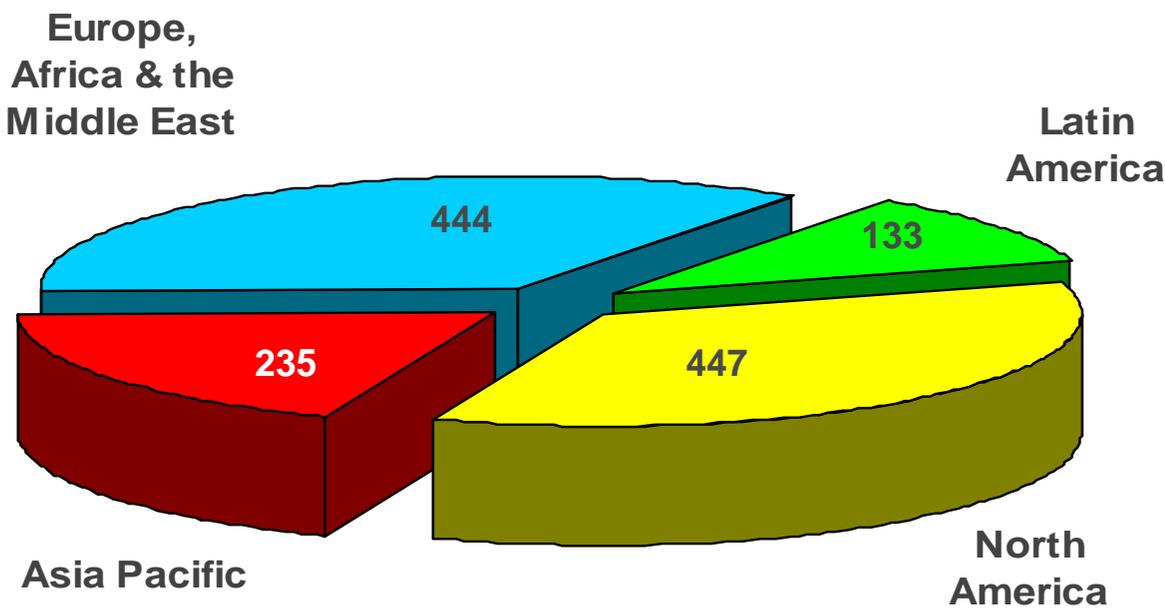


Key growth drivers were the good sales performance of the Flavour Division and the Fragrance Consumer Products segment.

- Asia Pacific outperformed all other regions with double-digit growth, followed by Latin America
- North America and Europe showed a good increase in both Divisions

Sales by Region

Total sales CHF 1'259 mio



In Mio CHF

A vertical strip of daisy flowers is positioned on the left side of the slide. The flowers are white with yellow centers and are set against a light blue background. The strip is partially cut off at the top and bottom.

Continued investments into growth

- Marketing, development and distribution cost up to CHF 289 million
- GivaudanAccess™ successfully launched in North America
- Accelerated entry into new market segments: fragrance specialty retail, food service
- Preparatory work to open new fine fragrance creative centres in downtown Paris and New York started

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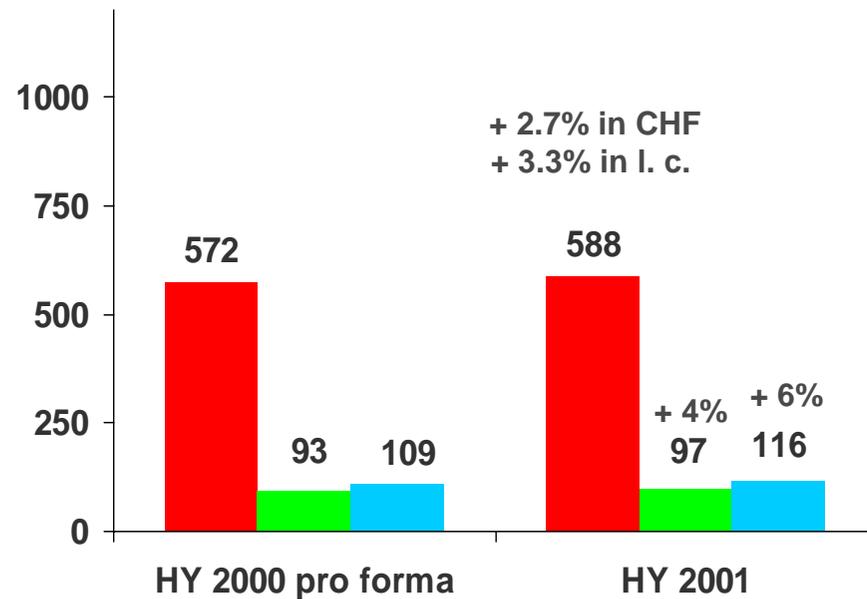
The innovation rate of our two fundamental research centres remained high

- Completion of encapsulation pilot plant in fragrance research
- Virtual Aroma Synthesiser wins Fragrance Foundation Award
- ScentTrek™ to Papua New Guinea
- Further TasteTrek™ Asia to analyse and recreate local ethnic cuisine
- Strengthening of collaboration with various universities
- 27 new patent applications

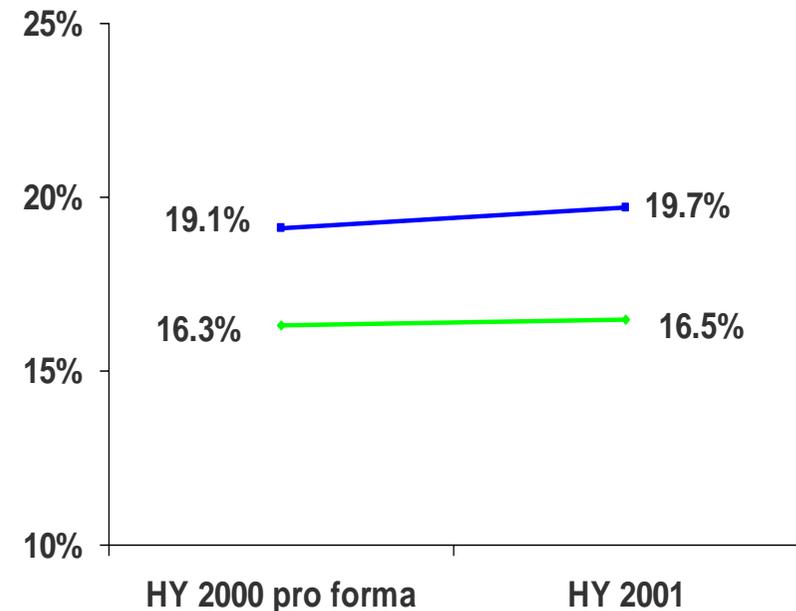
Fragrance Division

Sales, Operating Profit and EBITDA

In Mio CHF



In % of Sales



■ Sales
 ■ Operating Profit
 ■ EBITDA

Fragrance Division

Fine Fragrances

- Fine Fragrances sales slightly decreased due to eroding quantities of older wins
- Gucci's Rush for Men won the FiFi Award for the best men's introduction
- Several new wins in the last six months should translate into new sales in the second half of 2001

Fragrance Division

Consumer Products

- Recovered from last year's flat development
- Double-digit growth in Asia Pacific, good growth in Europe and signs of recovery in North America, overall flat development in Latin America
- Strong project pipeline

Fragrance Division

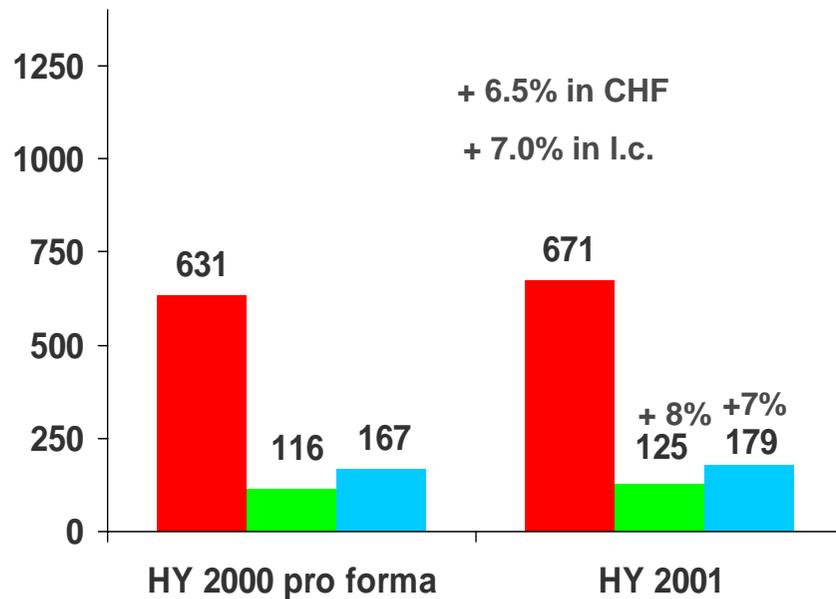
Fragrance Ingredients

- Sales of fragrance specialties and ingredients showed strong growth
- Sales of pharmaceutical ingredients and UV sunscreen filters continued to decrease

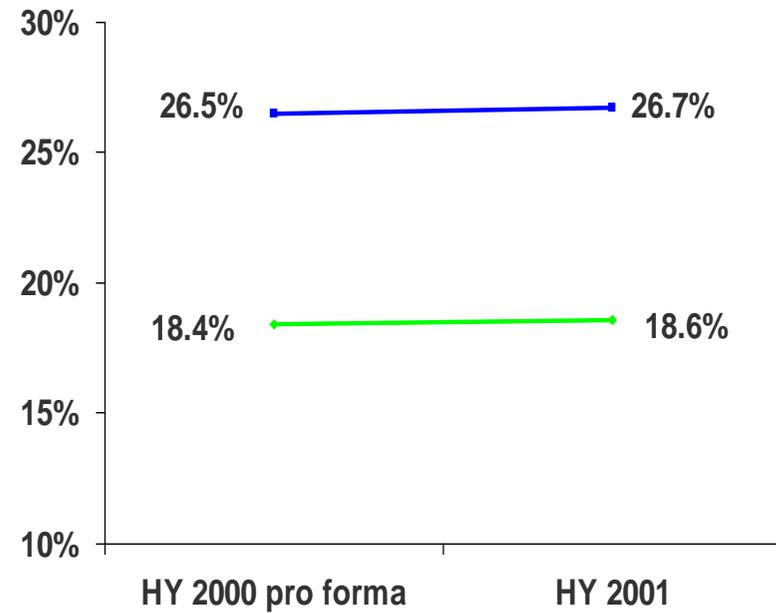
Flavour Division

Sales, Operating Profit & EBITDA

In Mio CHF



In % of Sales



■ Sales
 ■ Operating Profit
 ■ EBITDA

Flavour Division

Asia Pacific

- Double-digit growth also in more mature markets of Japan and Australia
- Major wins in beverages, confectionery good growth, dairy in line with market
- Efforts intensified to develop savoury and food service

Flavour Division

Latin America

- Good performance in Mexico and Brazil
- Success driven mainly by strong beverage, confectionery and dairy sales
- Difficult market conditions in the southern part

A vertical decorative element on the left side of the slide, showing a close-up of green, needle-like leaves, possibly rosemary, against a blurred background.

Flavour Division

Europe, Africa and Middle East

- Sales increase despite slow economic growth
- Strong growth of the beverage and confectionery segment
- Promising project portfolio

Flavour Division

North America

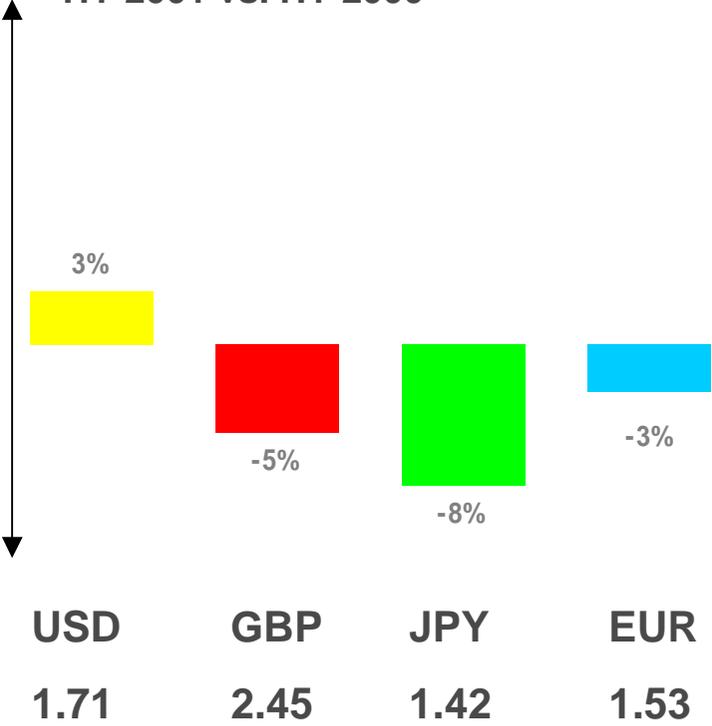
- Favourable trend from the first quarter continued
- Commercial organisation further strengthened
- Confectionery, dairy and savoury segment with strong growth
- Inroads into food service

Othmar Vock

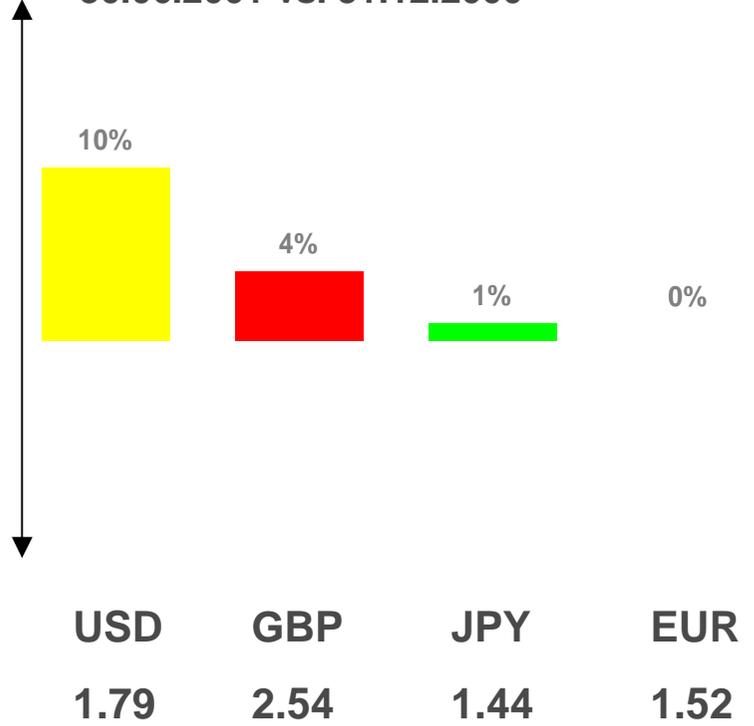
CFO

Main Exchange Rates Development

Average Exchange Rates
HY 2001 vs. HY 2000



Period-End Exchange Rates
30.06.2001 vs. 31.12.2000



Business Statement

In Mio CHF	HY 2001		HY 2000		Change In %
		In % of sales	pro forma	In % of sales	
Sales	1,259	100.0	1,203	100.0	+ 5 %
Cost of sales	(656)	(52.1)	(626)	(52.0)	+ 5 %
Gross Profit	603	47.9	577	48.0	+ 5 %
Marketing, development & distribution expenses	(289)	(22.9)	(271)	(22.5)	+ 7 %
Administration expenses	(44)	(3.5)	(44)	(3.7)	+ 0 %
Amortisation of intangible assets	(36)	(2.9)	(35)	(2.9)	+ 3 %
Other operating income (expenses), net	(12)	(1.0)	(18)	(1.5)	- 33 %
Operating profit	222	17.6	209	17.4	+ 6 %

Key Operating Ratios

In % of sales	HY 2001	HY 2000 pro forma
Gross Profit Margin	47.9%	48.0%
Operating Return On Sales (EBIT)	17.6%	17.4%
EBITA	20.5%	20.3%
EBITDA	23.4%	22.9%
EBIDA	18.1%	18.1%
Gross Additions to PPE	4.1%	5.6%

Income Statement

In Mio CHF	HY 2001		HY 2000		Change In %
		In % of sales	pro forma	In % of sales	
Sales	1,259	100.0	1,203	100.0	+ 5 %
Operating profit	222	17.6	209	17.4	+ 6 %
Financial income (expenses), net	(5)	(0.4)	(21)	(1.8)	- 76 %
Result before taxes	217	17.2	188	15.6	+ 15 %
Income taxes	(67)	(5.3)	(58)	(4.8)	+ 16 %
Result after taxes	150	11.9	130	10.8	+ 15 %
Minority interest	(1)	(0.1)	(1)	(0.1)	-
Net income	149	11.8	129	10.7	+ 16 %
Earnings per share (CHF)	17.91		14.99		



Cash Flow Statement

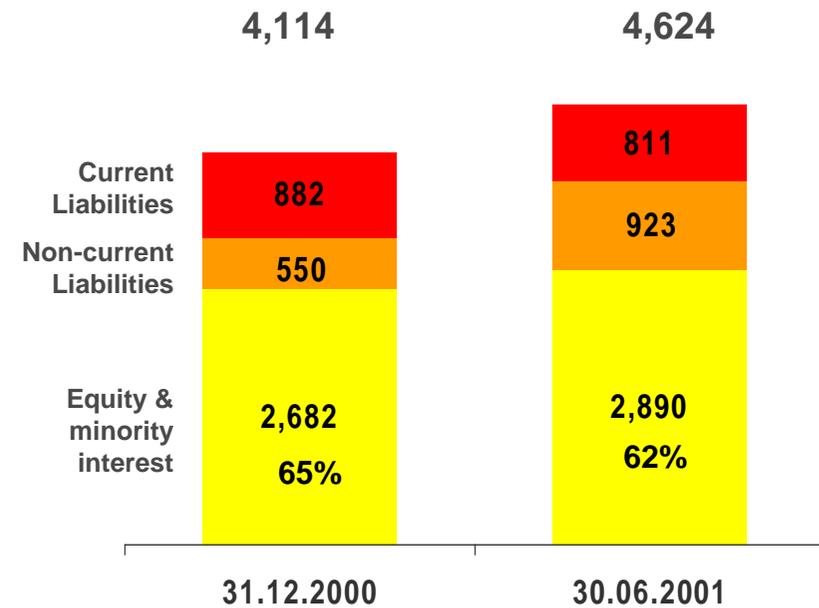
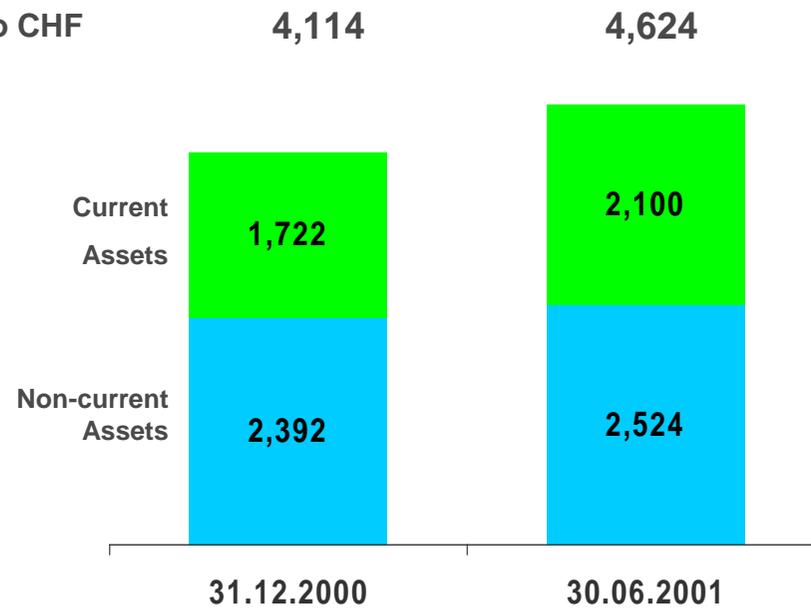
In Mio CHF	HY 2001	HY 2000 pro forma
Cash flows from (for) operating activities	215	186
Cash flows from (for) financing activities	228	93
Cash flows from (for) investing activities	(315)	(89)
Net effect of currency translation on cash	2	15
Increase (decrease) in cash	130	205
Cash at the beginning of the year	280	215
Cash at the end of June	410	420

Balance Sheet

Assets

Liabilities & Equity

In Mio CHF



Dr Jürg Witmer

CEO

A vertical strip of daisy flowers is positioned on the left side of the slide. The flowers are white with yellow centers, and their stems and leaves are visible against a light blue background. The flowers are arranged in a way that they appear to be growing upwards from the bottom left towards the top left.

Givaudan is well positioned for a successful 2001 and beyond. Recent product wins, a good project portfolio and an encouraging start to our growth initiatives like GivaudanAccess™ should allow us to further improve sales in the second half year.

Barring unforeseen events we expect good results for the full year 2001.